

Press Release · Pressemitteilung

A race against time: the maritime industry and the climate target

Once again, SMM will be held in person from 6 to 9 September 2022. Scheduled for around four months ahead of the world's leading trade fair, the international press conference provided the ideal opportunity for a high-quality panel of experts to get together and discuss the most urgent topics in the sector, with a focus on the question of how to make shipping climate-neutral by 2050. There's no shortage of options, and not even nuclear energy is off the table.

Hamburg, 12/05/2022 – **Bernd Aufderheide** struck an unusually serious tone as he addressed the international journalists at the start of the SMM press conference. "The coronavirus pandemic is not yet behind us and the war in Ukraine is another serious hit to the global economy and thus the international shipping industry, logistics chains and ports," explained the President and CEO of Hamburg Messe and Congress. He said that the war has made it all the more important to eliminate European dependence on Russian energy – and say goodbye to fossil fuels. In addition to the pandemic and war, there is also global warming, which remains an existential problem facing mankind.

A problem that even the shipping industry has to contend with. How do you go about making it climate-neutral as quickly as possible? That's also the core topic of this year's SMM, with its leitmotif "Driving the maritime transition". To provide a preview of the large industry event in September, Aufderheide invited five guests with strong opinions to the SMM studio, with the audience able to join digitally.

Collaboration as a key to success

The shipping industry has set itself the target of zero emissions for 2050. A race against time. Which alternative fuel should shipowners focus on? Options include ammonia, methanol, hydrogen and synthetic gas. One thing is clear: now's the time to invest if you want to achieve climate neutrality by the deadline. **Knut Ørbeck-Nilssen**, CEO Maritime at DNV, recommended flexibility: "Why should we belong to any 'camp' when it comes to fuel?", asked Ørbeck-Nilssen. "We are likely moving towards a fuel multiverse, and we need as much experimentation of different fuels as possible with as many actors doing the experimenting as possible. And we cannot wait for the perfect fuel solution to come along. We need to start the transition now – we have the technology available today to make significant carbon savings. We must embrace the spirit of collaboration to tackle common challenges like safety, fuel availability and cost – we win only by working together."

Shipping faces an uphill battle

Is an openness to many different fuel options the key to the maritime energy transition? Renowned maritime economist **Martin Stopford** is sceptical. "Shipping is not an ideal candidate for green

fuels,” said Stopford, according to whom all of the alternatives are less efficient than fuel oil and yet more expensive. He’s doubtful that the capacities will suffice. “It is unlikely that the industry will be able to get its hands on that much green fuel in the coming decade. In 2020, just 13 per cent of electricity was generated from non-carbon fuels.”

He predicted more potential for “retrofitting packages”, which are complete solutions that significantly increase ship efficiency. “To sustainably retrofit the world fleet of 100,000 ships – that’s a huge task!” said Stopford. In some trades the economics of nuclear power are starting to be taken seriously, given the cost and limitations of conventional green fuels.

Winners and losers

Whichever fuel ultimately wins out, shipbuilders and suppliers have the expertise to provide the appropriate drive technology. **René Berkvens**, Chair of the SEA Europe industry association and former CEO of the Damen Group, called upon the entire European shipping industry to demonstrate more commitment and use fuel-saving technologies and alternative fuels when building new ships and retrofitting existing ones.

In the industry, it’s said that shipowners – more than anyone else – tend to demonstrate restraint when it comes to purchasing. **Nikolaus H. Schües**, designated President of BIMCO and CEO of the F. Laeisz shipping company, disagreed: “We are not being overcautious, we are acting sensibly. Given in the current technical uncertainty it is rational to be selective about investments.” However, Schües emphasised: “We want to make the industry greener, because we are convinced that this is the right way.” Many shipping companies, however, currently lack the financial leeway to do so: “At the moment, it is mainly the large container shipping companies that are benefiting.” Some owners are still suffering from the consequences of the years-long crisis. “But no matter how expensive the transition will be – it will be more expensive for society not to go that path”, said Schües.

There are also winners and losers among the shipbuilders: “Order books around the world are full – but that’s primarily due to the Asian shipyards, which are building container ships and LNG tankers”, said Berkvens. Highly specialized shipyards and suppliers in Europe are now pinning their hopes on a comeback in the cruise ship market, business with renewable energies in the offshore segment, and the willingness of shipowners to invest in new technologies.

Back to the roots

Cristina Aleixendri, COO of bound4blue, has her finger on the pulse. “The industry is too focused on green fuels. But there are other sustainable propulsion solutions. Wind as an energy source is freely available - why not take advantage of that?” said Aleixendri. With the automated suction sails of her Spanish start-up, ships could already save 30 to 40 per cent fuel today. For its sustainable commitment, bound4blue is funded by the European Innovation Council. Shipowner Schües in particular is enthusiastic about this approach: “There's nothing more natural than creating forward movement with wind.” His dream: transporting green ammonia with sail propulsion. For the shipping company, this would be a return to its roots: F. Laeisz made a name for itself over 100 years ago with the Flying P liners. Wind power could thus become an important component of the energy



transition on board. The example shows: there are numerous solutions on the table to tackle Mission Zero emissions. "We are ready to invest in technologies. And SMM is exactly the right place to address the complex issues", said Schües.

Even if they didn't end up on the same page for every issue, the panellists did agree on one thing: a leading global trade fair like SMM is indispensable in the race against time – and climate change. Host and CEO of HMC Bernd Aufderheide agreed wholeheartedly: "Nothing can take the place of personal contact between industry and other stakeholders. And an intensive exchange of ideas at trade fair stands and conferences is the only thing that will bring us closer to our aim of decarbonization in the shipping industry."

About SMM

The world's leading trade fair in the maritime industry will be held in Hamburg on 6 to 9 September 2022, with around 2,000 exhibitors and more than 40,000 visitors from over 100 countries expected. Comprising eleven halls, SMM covers the sector's entire value chain, brings together managers from all over the world and represents a platform for innovations. The 30th SMM will focus on the maritime energy transition, the digital transformation and climate change. SMM was held online in 2021 due to the coronavirus. The community will be getting together again in person this year at the exhibition centre and at conferences with top-notch speakers.

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